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ANNUAL



THE METROPOLITAN TRUST COMPANY 1967

REPORT

## BOARD OF DIRECTORS

HARRY T. O'NEILL — CHAIRMAN OF THE BOARD\*

JAN DUINKER — President,\*  
Netherlands Overseas Corporation Canada Limited,  
Toronto

RUDOLF V. FRASTACKY — PRESIDENT\*

ARTHUR B. GILL — Executive Vice-President,  
The Morgan Trust Company, Montreal

HON. DOUGLAS S. HARKNESS, P.C., G.M., E.D., B.A.,  
Member of the Canadian House of Commons, Ottawa

KASIMIR L. MARKON — President,\*  
Lismar Holdings Limited, Toronto

ROBERT K. McCONNELL — President,\*  
McConnell & Company Limited, Toronto

RUDOLF AUGUST OETKER,  
Industrialist, Bielefeld-Hamburg, Germany

J. JACQUES PIGOTT — Executive Vice-President,\*  
Pigott Construction Company Limited, Toronto

T. STEWART RIPLEY — EXECUTIVE VICE-PRESIDENT  
AND GENERAL MANAGER\*

JACQUES ROY — Vice-President,  
The Morgan Trust Company, Montreal

FRIEDRICH SIMON — General Partner,  
Bankhaus Friedrich Simon, Duesseldorf, Germany

LAWRENCE W. SKEY, D.F.C., B.Comm. — Treasurer  
and Director, Scudder International Investments Ltd.,  
Toronto

WALTER H. STROMEYER,  
For Bankhaus H. Aufhaeuser, Munich, Germany

\*Members of the Executive Committee

# THE METROPOLITAN TRUST COMPANY



## OFFICERS

HARRY T. O'NEILL  
CHAIRMAN OF THE BOARD

RUDOLF V. FRASTACKY  
PRESIDENT

T. STEWART RIPLEY  
EXECUTIVE VICE-PRESIDENT AND  
GENERAL MANAGER

NORMAN C. SAINT, B.Comm., C.A.  
SECRETARY AND TREASURER

FRANK P. BENNER  
ASSISTANT GENERAL MANAGER

EDWIN J. CARTER, C.A.  
COMPTROLLER AND ASSISTANT TREASURER

ZDENKO HRADSKY, B.Comm.  
SUPERVISOR, PROPERTY MANAGEMENT

J. MALCOLM WREDDEN  
SUPERVISOR, MORTGAGES

A. G. VUK  
SUPERVISOR, REAL ESTATE



## REPORT TO SHAREHOLDERS

On behalf of the Board of Directors, I am pleased to submit the 1967 Annual Report of your Company.

The 1967 net profit after income taxes amounted to \$165,202 compared with \$140,802 in 1966, an increase of \$24,400, or 17%. Based on the average number of shares outstanding, the net profit was \$1.69 per share in 1967 and \$1.46 in 1966.

Two half yearly dividends of 30 cents each per share were paid during 1967. The half yearly dividend payable on February 15, 1968 was increased to 35 cents per share.

An amount of \$38,343 was transferred from the undivided profits account to increase the Company's general reserve fund to \$325,000. The capital stock account, reserve fund and undivided profits account stood at \$3,133,000 at December 31, 1967 in comparison with \$2,908,000 at the end of 1966.

During the year, the guaranteed trust account grew by a net amount of \$2,237,000, or 11%, consisting of increases of \$2,129,000 in savings deposits and \$2,050,000 in guaranteed investment certificates, less a decrease of \$1,942,000 in term deposits. This reduction in term deposits reflects the Company's continuing policy of limiting the total amount of such deposits to those which could be employed profitably.

Total assets owned and under administration rose by \$58,317,000, or 51%, during the year to \$171,586,000 at December 31, 1967. This increase consisted of \$55,862,000 in estate, trust and agency assets and \$2,455,000 in capital and guaranteed account assets.

Late in 1967, your Company purchased at a cost of approximately \$300,000 a 62%

interest in York Trust and Savings Corporation, and as majority shareholder, assumed its responsibility of management control. The proposed re-organization of York Trust operations is proceeding as planned, and I am confident that this investment will be a significant factor in the continued development and diversification of your Company. Shareholders will be kept advised of major developments.

With deep regret the Board has to record the passing early this year of our esteemed Vice-President, Dr. Alexander P. Lustig. He had been associated with Metropolitan Trust since its inception and had made an outstanding contribution to the success achieved, particularly in the field of real estate activities, at home and abroad. His knowledge of languages and international law was invaluable. We shall miss his wise counsel very much indeed.

Appreciation is extended to the members of the Board and their Executive Committee for devoting so much of their time and effort to the affairs of the Company. The diligence and loyalty of the staff has contributed greatly to the degree of success recorded for the year and is acknowledged with gratitude.

Respectfully submitted,

R. V. FRASTACKY,  
President.

Toronto, February 15, 1968.



## THE METROPOLITAN TRUST COMPANY

# BALANCE

DECEMBER 31, 1967

(with comparative figures for 1966)

### ASSETS

	1967	1966
Cash	\$ 2,120,366	\$ 1,746,701
Bank deposit receipts	3,312,123	—
Securities (Note 1):		
Government of Canada and Provincial bonds	4,927,681	5,492,638
Other bonds and debentures	889,402	653,014
Stocks	224,607	113,828
Mortgages held for sale under agreements	2,331,717	3,700,866
Short term notes receivable	1,511,209	—
Secured loans	689,725	593,679
Accounts receivable and advances to estates and trusts	244,753	241,519
Mortgages	9,935,314	11,502,810
Investment in shares of York Trust and Savings Corporation, at cost (Note 2)	313,675	—
Fixed assets, at cost less accumulated depreciation	117,588	118,193
Total capital and guaranteed account assets	<u>\$ 26,618,160</u>	<u>\$ 24,163,248</u>

### ASSETS UNDER ADMINISTRATION

Securities, cash and other assets held for Estates, Trusts and Agencies	\$144,967,758	\$ 89,105,502
Capital and guaranteed account assets	26,618,160	24,163,248
TOTAL	<u>\$171,585,918</u>	<u>\$113,268,750</u>

#### AUDITORS' REPORT TO THE SHAREHOLDERS OF THE METROPOLITAN TRUST COMPANY

We have examined the balance sheet of The Metropolitan Trust Company as at December 31, 1967 and the statements of income and expense, undivided profits and reserve fund for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

The assets held for Guaranteed Account and for Estates, Trusts and Agencies are kept separate from the Company's own assets and are so recorded on the books of the Company as to show the accounts to which they belong.

In our opinion, these financial statements present fairly the financial position of the Company as at December 31, 1967 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada.  
February 8, 1968.

(Signed) CAMPBELL, LAWLESS & PUNCHARD,  
Chartered Accountants.



# SHEET

at December 31, 1966)

LIABILITIES AND CAPITAL			1967	1966
Liabilities:				
Guaranteed account —				
Savings deposits			\$ 7,342,605	\$ 5,213,533
Term deposits			5,851,026	7,793,468
Investment certificates			10,069,611	8,018,903
			\$ 23,263,242	\$ 21,025,904
Income taxes			153,706	195,000
Accounts payable			68,305	34,214
			\$ 23,485,253	\$ 21,255,118
Capital:				
Capital stock (Note 3) —				
Authorized: 200,000 shares of \$25 par value each				
Issued: 100,326 fully paid shares (96,471 shares at December 31, 1966)			\$ 2,508,150	\$ 2,411,775
2,000 partly paid shares			10,000	—
			\$ 2,518,150	\$ 2,411,775
Reserve fund			325,000	275,000
Undivided profits			289,757	221,355
			\$ 3,132,907	\$ 2,908,130
Total capital and guaranteed account liabilities			\$ 26,618,160	\$ 24,163,248

Attested: (Signed) Rudolf V. Frastacky, President  
(Signed) T. Stewart Ripley, Executive Vice-President and General Manager

NOTES

1. Government of Canada and Provincial bonds are carried at amortized cost less reserves. The market value was \$4,591,000 at December 31, 1967. Other bonds and debentures and stocks are carried at amounts not in excess of market values.

2. On November 24, 1967, the Company purchased approximately 62% (411,929) of the outstanding shares with a par value of \$10.00 each of York Trust and Savings Corporation at a price of \$0.70 per share. An additional 4,035 shares were acquired under a subsequent offer made at the same price for the remaining shares outstanding. The investment of \$313,675 comprises the purchase price of the shares together with related legal and audit costs.

The accompanying financial statements do not reflect the results of the operations of York Trust and Savings Corporation in the period from November 24 to December 31, 1967.

3. During the year, under options granted in 1962, 2,975 fully paid shares were issued at \$27.50 each, 840 fully paid shares were issued at \$28.50 each and 2,000 partly paid (20%) shares were issued at \$27.50 each, and, under an allotment made in 1966, 40 fully paid shares were issued at \$32.00 each. Cash proceeds on these 5,855 shares totalled \$118,032.

Options were outstanding at December 31, 1967 to certain officers to purchase 6,900 shares of capital stock at \$27.50 each and 1,440 shares at \$38.00 each.

# THE METROPOLITAN TRUST COMPANY

## STATEMENT OF INCOME AND EXPENSE FOR THE YEAR ENDED DECEMBER 31, 1967

(with comparative figures for the year ended December 31, 1966)

	1967	1966
Income:		
Fees and commissions	\$ 918,076	\$ 731,578
Income from investments	1,380,569	1,422,066
	<u>\$2,298,645</u>	<u>\$2,153,644</u>
Expense:		
Interest paid on guaranteed account	\$ 962,087	\$1,010,479
Salaries and staff benefits	578,303	510,830
Office and administration expense	416,053	336,533
	<u>\$1,956,443</u>	<u>\$1,857,842</u>
Operating profit before provisions for securities reserve and income taxes	\$ 342,202	\$ 295,802
Provision for securities reserve	35,000	35,000
Operating profit before income taxes	\$ 307,202	\$ 260,802
Provision for income taxes	142,000	120,000
Net profit for the year	<u>\$ 165,202</u>	<u>\$ 140,802</u>

## STATEMENT OF UNDIVIDED PROFITS FOR THE YEAR ENDED DECEMBER 31, 1967

(with comparative figures for the year ended December 31, 1966)

	1967	1966
Balance at beginning of year	\$ 221,355	\$ 128,971
Add net profit for the year	165,202	140,802
	<u>\$ 386,557</u>	<u>\$ 269,773</u>
Deduct: Dividends paid	(58,457)	(24,118)
Transfer to reserve fund	(38,343)	(24,300)
Balance at end of year	<u>\$ 289,757</u>	<u>\$ 221,355</u>

## STATEMENT OF RESERVE FUND FOR THE YEAR ENDED DECEMBER 31, 1967

(with comparative figures for the year ended December 31, 1966)

	1967	1966
Balance at beginning of year	\$ 275,000	\$ 250,000
Add: Premium received on shares issued during the year	11,657	700
Transfer from undivided profits	38,343	24,300
Balance at end of year	<u>\$ 325,000</u>	<u>\$ 275,000</u>



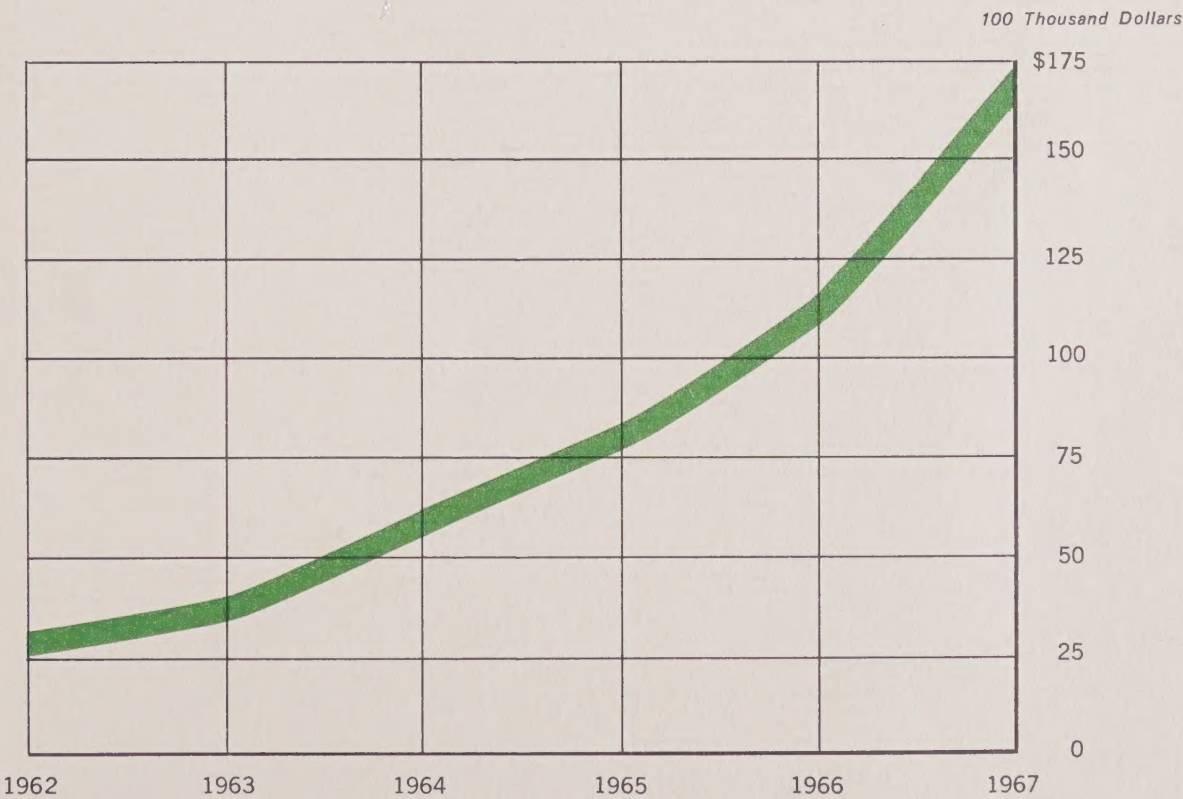
# OUR GROWTH IN BRIEF

	1967	1966	1965	1964	1963	1962 (Note 1)
Total Assets under Administration	\$171,586,000	\$113,269,000	\$76,538,000	\$58,241,000	\$37,251,000	\$25,793,000
Estates, Trusts and Agencies	\$144,968,000	\$ 89,106,000	\$52,578,000	\$34,435,000	\$25,058,000	\$23,481,000
Savings and Term Deposits and Investment Certificates	\$ 23,263,000	\$ 21,026,000	\$21,074,000	\$21,069,000	\$10,399,000	\$ 576,000
Shareholders' Equity	\$ 3,133,000	\$ 2,908,000	\$ 2,786,000	\$ 2,672,000	\$ 1,713,000	\$ 1,695,000
Profit before Income Taxes	\$ 307,000	\$ 261,000	\$ 187,000	\$ 117,000	\$ 11,000	\$ (2,000)
Income Taxes	142,000	120,000	69,000(2)	6,000(2)	—	—
Net Profit after Taxes	\$ 165,000	\$ 141,000	\$ 118,000	\$ 111,000	\$ 11,000	\$ (2,000)
Earnings per Share	\$ 1.69(3)	\$ 1.46	\$ 1.22	\$ 1.16	\$ 0.16	\$ —

## NOTES

1. The Company was incorporated in 1962 and opened its office to the public on November 6, 1962.
2. The 1965 and 1964 income tax provisions were reduced by claiming for tax purposes the increases of \$25,000 and \$35,000 respectively in prepaid expenses charged directly to undivided profits. Also, the 1964 tax provision was reduced by the carry-forward for tax purposes of preliminary and organization expense incurred in 1962.
3. Earnings per share were based on the average number of shares outstanding during the year.

# TOTAL ASSETS UNDER ADMINISTRATION





## SERVICES

SAVINGS ACCOUNTS

SAVE-BY-MAIL

CHEQUING ACCOUNTS

DEPOSIT ACCOUNTS

SENIOR CITIZEN ACCOUNTS

GUARANTEED INVESTMENT CERTIFICATES

ACCUMULATING GUARANTEED INVESTMENT  
CERTIFICATES

TERM DEPOSITS

INVESTMENT FUNDS

REGISTERED RETIREMENT SAVINGS PLAN

ESTATE PLANNING

REAL ESTATE SALES

MORTGAGES

PROPERTY MANAGEMENT

REAL ESTATE COUNSELLING

FINANCING

PERSONAL TRUST SERVICES

SERVICES FOR INDIVIDUALS

SERVICES FOR CORPORATIONS